

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

18 FEB 1993

MM Doc. 92-266

Pat Donovan  
Am 544

IN REPLY REFER TO:

8310-MEA  
CN9300459

Honorable John C. Danforth  
United States Senate  
249 Russell Senate Office Building  
Washington, DC 20510

RECEIVED

MAR 22 1993

Dear Senator Danforth:

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Thank you for your letter on behalf of several constituents who complain that cable television rates have increased in advance of the implementation of the Cable Act of 1992.

The Commission has a clear understanding that Congress adopted the Cable Act of 1992 to constrain unreasonable cable rates. The Commission is in the process of formulating rules implementing the rate provisions of the law and is seeking public comment on those provisions that address rate rollbacks, refunds, and evasions of statutory requirements. The Commission will attempt to implement these provisions faithfully and will consider the conduct of the

# Congressional

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CONGRESSIONAL CORRESPONDENCE TRACKING SYSTEM  
02/09/93

LETTER REPORT

CONTROL NO.	DATE RECEIVED	DATE OF CORRESP	DATE DUE	DATE DUE OLA(857)
9300459	02/09/93	01/29/93	02/22/93	

TITLE	MEMBERS NAME	REPLY FOR SIG OF
Senator	John Danforth	BC

CONSTITUENT'S NAME	SUBJECT
several	inq. re: rate regulation & 92 Cable Act

REF TO	REF TO	REF TO	REF TO
MMB	ENR	CAF	

DATE	DATE	DATE	DATE
02/09/93	2/9	2-10	

REMARKS:

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## United States Senate

COMMITTEE ON COMMERCE, SCIENCE,  
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

*nmB  
CATV - Rates  
459*

Janaury 29, 1993

Mr. Steven Klitzman  
Associate Director, Legislative Affairs  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

Dear Mr. Klitzman:

Enclosed are copies of letters that were sent to me by several of my constituents. They are concerned about the latest rate increase by their cable companies.

Please take their concerns into account when implementing the Cable Television Consumer Protection and Competition Act of 1992.

Thank you for your consideration.

Sincerely,



John C. Danforth

Enclosures (3)



COMMERCE COMMITTEE  
93 JAN -8 PM 8:40

1/22  
City of Sikeston

December 18, 1992

Honorable John C. Danforth  
United States Senate  
249 Russell Senate Bldg.  
Washington, D.C. 20510

RE: Cable Rate Increase

Dear Honorable John C. Danforth:

In November of this year the City of Sikeston was notified by the City's cable provider, Falcon Cable TV Company, of a proposed 11% rate increase scheduled to take effect in January, 1993. When our City Council requested an explanation of this rate increase, which is not a result of new or additional services, the local manager would not (or could not) present justification of the local franchise's rate increase.

As a direct result of this failure to provide adequate explanation, the Sikeston City Council passed the enclosed Resolution calling for Falcon Cable TV's reconsideration of the rate increase and notifying the company of the Council's intention to seek certification for the purposes of regulating the operation of cable services within our city limits.

Our Council would like to request your assistance in monitoring actions such as those being exhibited by Falcon Cable TV and to keep them under consideration when establishing the rate rollbacks of the Cable Television Consumer Protection and Competition Act of 1992.

Sincerely,

Stephen J. Borgsmiller,  
City Manager

enclosure

pc: Falcon Cable TV Company



RESOLUTION 92-12-01

A RESOLUTION PROTESTING A PROPOSED CABLE TV RATE INCREASE, TO THE  
CITIZENS OF THE CITY OF SIKESTON, BY FALCON CABLE TV COMPANY, AND  
REQUESTING POSTPONEMENT OF THIS RATE INCREASE UNTIL THE RELEASE OF



City of Sikeston

December 18, 1992

Honorable Bill Emerson  
House of Representatives  
418 Cannon House Bldg.  
Washington, D.C. 20515

RE: Cable Rate Increase

Dear Honorable Bill Emerson:

In November of this year the City of Sikeston was notified by the City's cable provider, Falcon Cable TV Company, of a proposed 11% rate increase scheduled to take effect in January, 1993. When our City Council requested an explanation of this rate increase, which is not a result of new or additional services, the local manager would not (or could not) present justification of the local franchise's rate increase.

As a direct result of this failure to provide adequate explanation, the Sikeston City Council passed the enclosed Resolution calling for Falcon Cable TV's reconsideration of the rate increase and



City of Sikeston

December 18, 1992

Marc Nathanson, Chairman  
Falcon Cable TV  
1009 Wilshire Blvd.  
15th Floor  
Los Angeles, Calif. 90024

RE: Cable Rate Increase

Dear Mr. Nathanson:

In November of this year the City of Sikeston was notified by the City's cable provider, Falcon Cable TV Company, of a proposed 11% rate increase scheduled to take effect in January, 1993. When our City Council requested an explanation of this rate increase, which is not a result of new or additional services, the local manager could not present adequate justification of the local franchise's



*Byr*

December 29, 1992

Mr. Stephen J. Borgsmiller  
City Manager  
City of Sikeston  
105 East Center Street  
Sikeston, Missouri 63801

Dear Mr. Borgsmiller:

Since Marc Nathanson is out of town, I would like to take this opportunity to respond to your letter dated December 18, 1992 regarding our rate increase. I appreciate you writing regarding your concerns. I want to assure you that no one, including Falcon, likes to implement rate increases, and we will do our best to keep them to a minimum.

While it is true that our January 1, 1993 increase does approximate 11%, it needs to be viewed in light of the fact that our rate for other service levels did not increase. As a result, when you look at the average increase in our subscribers' bills, it will be in the 7% area. Also, the increase last year was less than 2% for the average subscriber before reflecting new services, increase in the cost of existing programming services, and other cost increases.

As you may remember, in December of 1991, the Disney Channel was launched to all customers, a service which was previously an optional pay channel costing \$7.50 a month, and only available to those customers willing to pay the additional price. Also in December of 1991, TNT was launched to all customers, a service previously not available to anyone in Sikeston.

The following is a breakdown of the Sikeston rate increases for our basic and tier service levels.

<u>YR</u>	<u>Basic Rate</u>	<u>Tier Rate</u>	<u>Total</u>
1991	17.00	3.00	20.00
1992	17.50	3.00	20.50
1993	18.38	4.35	22.73

(more)



Borgsmiller/Page Two

As you can see, the total increase from 1991 to 1993 equates to 13.6% or an average of only 4.5%. If you only adjust for programming increases for new and existing services (i.e. Disney, TNT, etc.), our average rate increase over this period was below the rate of inflation. In addition, as previously stated, rates for other service levels will not go up on January 1, 1993, which will result in an even smaller average increase for our subscribers.

If viewed in the context of our 1991 rate increase, increases in programming and related costs, and the fact that various service levels did not have any increase, we believe that the overall change in our rate structure is reasonable. As a further piece of information to support this view, it is important for you to realize that our programming costs have increased at a rate of several times our percentage increase. Specifically, 1991 vs. 1992 programming costs have increased over 61%.

Ron Hall, our Divisional Vice President located in Washington, MO, will be in contact with you over the next several days to discuss any further questions you or the council may have regarding our rates.

I hope the information I have supplied has answered your concerns, but more importantly, I want to assure you again that we are striving to provide the best possible service at a fair and reasonable price to all of our customers.

Very truly yours,



Frank Intiso  
President and Chief Operating Officer

cc: Joe Johnson  
Ron Hall  
Federal Communications Commission  
Senator John Danforth ✓  
Senator Christopher Bond  
Representative Bill Emerson

FI/kc

Belton, Mo.  
COMMERCE  
92 DEC. 28 1992

Page 2.

There is the multiple question of, — Who,  
Why, Where, and When? Why does Congress  
pass these laws if there are not going to be

Page 1 of 2.

Belton, Mo.  
Dec. 28, 1992.

Federal Communication Commission,  
% Engineer, or Person in Charge,  
88000 East 63rd Street,  
Kansas City, MO. 64133.

To Whom it May Concern:

This letter is written in an effort to  
restitute a great injustice, being imposed upon

1/22

Honorable John C. Danforth

December 19, 1992

U. S. Senate Office Building

Washington, D. C. 20510

COMMERCE COMMITTEE  
93 JAN -8 PM 8:40

Dear Senator Danforth:

Why is the lame duck Director of the Federal Communications Commission sitting on his hands and indicating it will be mid-1993 before the rate regulation, guidelines and rules will be implemented.

You touted this bill and we have not heard much from you regarding our situation here in St. Peters, Mo. You certainly must know in the 13 years TCI has been in this community we have had a nearly 300% increase in rates.

TCI has now advised effective January 1993 increase in basic cable of 4%, expanded basic 7%, plus a .45¢ increase in HBO. Does your bill provide for this???

Apparently it does I quote them "Based on current information, we believe the rate adjustments we are taking are consistent with the provisions of the new law". How come they know so much about the contents of the bill and FCC Chairman Alfred C. Sikes will need six months to implement, which appears to be impossible, since he apparently has about one month left to do nothing.

Do you have any influence with the FCC to get on the ball before we all cancel cable???

Sincerely,

*Charles M. Kohlmeier*  
CHARLES M. KOHLMAYER

247 Timberbrook Drive  
Saint Peters, MO 63376-1273

ONE OF THE FIXED INCOME 300 percenters